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CHARLOTTE, N.C.  
JAN 21 2005  
Clerk, U.S. Dist. Court  
W. Dist. of N.C.

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
ASHEVILLE DIVISION

EQUAL EMPLOYMENT )  
OPPORTUNITY COMMISSION, )  
Plaintiff, ) CIVIL ACTION NO. 1:04CV006-T  
and, )  
CHRISTINA J. SCRUGGS, ) CONSENT DECREE  
Plaintiff-Intervenor, )  
v. )  
RYAN'S FAMILY STEAK HOUSES, INC., )  
Defendant. )

The Equal Employment Opportunity Commission (the "Commission") instituted this action under Title VII of the Civil Rights Act of 1964, as amended, and Title I of the Civil Rights Act of 1991, to correct alleged unlawful employment practices on the basis of sex (female), and to provide appropriate relief to Christina Scruggs and similarly situated female employees of Defendant who were allegedly adversely affected by such practices. Specifically, the Commission's Complaint alleges that Ryan's Family Steak Houses, Inc. ("Ryan's") subjected Ms. Scruggs and similarly situated female employees to a sexually hostile work environment. Additionally, the Complaint alleges that as a result of the harassment, Ms. Scruggs was forced to terminate her employment with Ryan's.

The parties hereby stipulate to jurisdiction of the Court over the parties and agree that the subject matter of this action is properly before the Court.

The parties have advised this Court that they desire to resolve the allegations in the Complaint without the burden, expense, and delay of further litigation.

It is therefore the finding of this Court, made on the pleadings and the record as a whole, that:

(1) the Court has jurisdiction over the parties and the subject matter of this action; (2) the purpose and provisions of Title VII will be promoted and effectuated by the entry of the Consent Decree; and (3) this Decree resolves all matters in controversy between the parties as provided in paragraphs 1 through 20 below.

It is therefore ORDERED, ADJUDGED AND DECREED as follows:

1. Defendant shall not discriminate against or harass individuals on the basis of sex within the meaning of Title VII of the Civil Rights Act of 1964, and specifically shall not subject female employees to a sexually hostile work environment.

2. Defendant shall not discriminate or retaliate against any person because of opposition to any practice made unlawful under Title VII, or because of the filing of a charge or anticipated filing of a charge, the giving of testimony or assistance, or the participation in any investigation, proceeding or hearing under the foregoing statute.

3. Defendant shall pay Christina J. Scruggs the sum of One Hundred Ten Thousand Dollars (\$110,000) in damages. Defendant shall make payment by issuing a certified check payable jointly to Christina J. Scruggs and W. Timothy Moreau, Esq. Payment shall be made within ten (10) days after the Court enters this Consent Decree by mailing the check to W. Timothy Moreau, Esq., Moreau & Marks, 419 S. Sharon Amity Road, Charlotte, NC 28211. Within ten (10) days after the check has been sent to Mr. Moreau, Defendant shall mail to Lynette A. Barnes, Acting Regional Attorney, Equal Employment Opportunity Commission, 129 West Trade Street, Suite 400, Charlotte, NC 28202, a copy of the check and proof of its delivery to Mr. Moreau.

4. Defendant shall pay to Odessa Black the sum of Twenty Thousand Dollars (\$20,000) in damages. Defendant shall pay to Michelle Ledford the sum of Twenty Thousand Dollars

(\$20,000) in damages. Defendant shall make payment by issuing certified checks payable to each person identified above in the stated amounts. Payment shall be made within ten (10) days after the Court enters this Consent Decree by mailing the checks directly to each individual at addresses to be provided by the Commission. Within ten (10) days after the checks have been sent, Defendants shall mail to Lynette A. Barnes, Acting Regional Attorney, Equal Employment Opportunity Commission, 129 West Trade Street, Suite 400, Charlotte, NC 28202, a copy of each check and proof of its delivery.

5. Defendant agrees to eliminate from the employment records of Ms. Scruggs, Ms. Black and Ms. Ledford any and all documents and entries relating to the facts and circumstances which led to the filing of the EEOC charge of discrimination and the related events that occurred thereafter, including the filing of this lawsuit. Within thirty (30) days of the entry of this decree, Defendant shall report compliance to the Commission.

6. Defendant agrees to provide neutral letters of reference, copies of which are attached hereto, for Christina J. Scruggs, Odessa Black and Michelle Ledford. In addition, if Defendant receives any inquiries regarding the employment of Ms. Scruggs, Ms. Black or Ms. Ledford, in lieu of an oral response, Defendant shall provide a copy of the aforementioned letter for that individual.

7. Within ninety (90) days of the entry of this Decree by the Court, Defendant shall revise its current written anti-discrimination policy. The revised policy shall include but not be limited to the following: an explanation of the requirements of the federal equal employment opportunity laws, including Title VII of the Civil Rights Act of 1964 and its prohibition against sex discrimination in the workplace, including sexual harassment. Defendant shall distribute to each employee a copy of the revised policy within the aforementioned ninety (90) day time period. Defendant shall report compliance to the Commission.

8. Within ninety (90) days of the entry of this Decree by the Court, Defendant shall revise or replace the video presentation currently shown during its Discrimination Survey Meetings to include a detailed explanation of sexual harassment and examples of conduct prohibited by Title VII of the Civil Rights Act of 1964. Defendant shall report compliance to the Commission.

9. During the term of this Decree, Defendant shall provide an annual training program on the federal equal employment opportunity laws to all personnel. At least fifteen (15) days prior to each program, Defendant shall provide the Commission with an agenda for the training program.

Each training program shall include an explanation of the requirements of the federal equal employment opportunity laws, including Title VII of the Civil Rights Act of 1964 and its prohibition against sex discrimination in the workplace, including sexual harassment, and its prohibition against retaliation. Each training program shall also cover an explanation of the rights and responsibilities of employees and managers under Defendant's anti-harassment policy.

10. The first annual training program shall be completed within ninety (90) days after entry of the decree by the Court. Each subsequent training program shall be conducted at approximately one-year intervals. For each training program conducted for employees of Defendant's Shelby, North Carolina restaurant and the restaurants supervised by District Manager David Wofford, Defendant shall certify to the Commission the specific training which was undertaken and shall provide the Commission with a roster of all employees in attendance within ten (10) days after completion of each such training program.

11. During the term of this Decree, Defendant shall distribute its anti-harassment policy to all new employees at the time of hire. Defendant agrees to include training for all new hires on its anti-harassment policy and Title VII, including but not limited to Defendant's obligations under Title VII and employee rights under Title VII, in new hire orientation or other appropriate forums.

12. During the term of this Decree, Defendant shall conspicuously post the attached Employee Notice, marked Appendix A, hereby made a part of this Decree, in Defendant's Shelby, North Carolina restaurant and in each restaurant supervised by District Manager David Wofford, in a place where it is visible to employees. Within ten (10) days of posting the Notices, Defendant shall report compliance to the Commission. If any Notice becomes defaced or unreadable, Defendant shall replace it by posting another copy of the Notice.

13. During the term of this Consent Decree, Defendant will provide the Commission with reports at six (6) month intervals, with the first being due four (4) months after approval by the Court of this Decree. The reports shall provide the following information for Defendant's Shelby, North Carolina restaurant and each restaurant supervised by District Manager David Wofford:

- A. The identities of all individuals who reported or complained of any conduct he/she believed to be unlawful under Title VII of the Civil Rights Act of 1964, including by way of identification each person's name, last known telephone number and address, social security number, and job title;
- B. For each individual identified in 13.A. above, provide a detailed description of the individual's report/complaint and what action, if any, Defendant took in response to the report/complaint.

14. Defendant agrees that the Commission may review compliance with this Decree. As part of such review, the Commission may inspect the premises, interview employees and examine and copy documents.

15. If at any time during the term of this Decree, the Commission believes that Defendant is in violation of this Decree, the Commission shall give written notice of the alleged violation to Defendant. Defendant then shall have ten (10) days in which to investigate and respond to the

allegations. Thereafter, the parties shall have a period of twenty (20) days, or such additional period as may be agreed upon by them, in which to engage in negotiation and conciliation regarding such allegations, before the Commission exercises any remedy provided by law.

16. All reports required by this Decree shall be sent to Lynette A. Barnes, Acting Regional Attorney, Equal Employment Opportunity Commission, 129 West Trade Street, Suite 400, Charlotte, NC 28202.

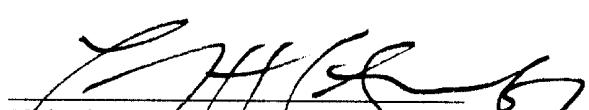
17. Each party shall bear its own costs and fees.

18. The term of this Decree shall be for three (3) years from its entry by the Court.

19. This Court shall retain jurisdiction of this cause for the term of this Decree for purposes of monitoring compliance with this Decree and entry of such further orders as may be necessary or appropriate. The Court's retention of jurisdiction herein shall not affect Defendant's right to enforce, to the extent allowed by law, employee arbitration agreements that are unrelated to this lawsuit. Likewise, nothing in this agreement is meant to, or should be construed as, a restriction on the Commission's right to investigate charges of discrimination filed against Defendant or to file litigation against Defendant as allowed by law.

20. The Decree shall expire by its own terms at the end of three (3) years without further action by the parties.

1-26-05  
Date

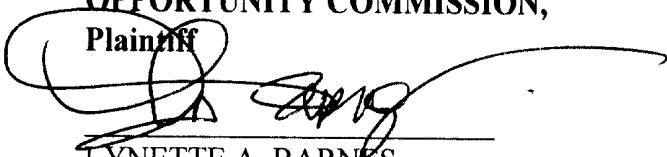
  
United States District Judge  
Western District of North Carolina

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

The parties jointly request that the Court approve and enter the Consent Decree:

This the 20<sup>th</sup> day of January 2005  
This the 20<sup>th</sup> day of December 2004.

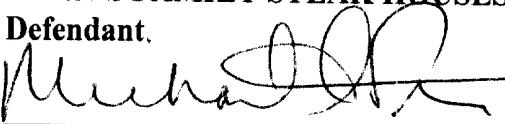
**EQUAL EMPLOYMENT  
OPPORTUNITY COMMISSION,**  
Plaintiff

  
LYNETTE A. BARNES  
Acting Regional Attorney

  
KARA GIBBON HADEN  
Senior Trial Attorney  
EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION  
Charlotte District Office  
129 West Trade Street, Suite 400  
Charlotte, North Carolina 28202  
Telephone: 704.344.6885  
Facsimile: 704.344.6780

This the 30<sup>th</sup> day of November 2004.

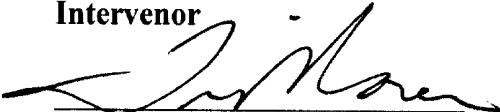
**RYAN'S FAMILY STEAK HOUSES, INC.**  
Defendant



MICHAEL S. PITTS, ESQ.  
E. GRANTLAND BURNS, ESQ.  
NEXSEN PRUET ADAMS  
& KLEEMEIER, LLC  
Post Office Drawer 10648  
Greenville, South Carolina 29603-0648  
Telephone: 864.282.1138  
Facsimile: 864.282.1177

This the 2<sup>nd</sup> day of December 2004.

**CHRISTINA J. SCRUGGS, Plaintiff-  
Intervenor**

  
W. TIMOTHY MOREAU, ESQ.  
MOREAU & MARKS  
419 S. Sharon Amity Road  
Charlotte, North Carolina 28211  
Telephone: 704.362.2919  
Facsimile: 704.442.2688

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NORTH CAROLINA  
ASHEVILLE DIVISION

EQUAL EMPLOYMENT )  
OPPORTUNITY COMMISSION, ) CIVIL ACTION NO. 1:04-CV-006-T  
Plaintiff, )  
v. )  
RYAN'S FAMILY STEAK HOUSES, INC., )  
Defendant. )  
\_\_\_\_\_  
EMPLOYEE  
NOTICE

1. This Notice is posted pursuant to a settlement between the U.S. Equal Employment Opportunity Commission and Ryan's Family Steak Houses, Inc. in a case of discrimination based on sex. Specifically, the EEOC alleged that in the 1998-99 timeframe, Ryan's subjected female employees in its Shelby, North Carolina restaurant to a sexually hostile work environment, in violation of Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), and that one of the employees was forced to resign as a result of the sexual harassment. Ryan's denied those allegations.
2. Title VII of the Civil Rights Act of 1964 is a federal law which prohibits sex discrimination or retaliation against any employee in all aspects of employment including, but not limited to, hiring, promotion, discharge, pay, job training and fringe benefits. Title VII also prohibits sexual harassment. Sexual harassment may include, but is not limited to, sexual comments, jokes or gestures, requests for sexual favors, inappropriate touching, or sexual advances.
3. In settlement of this lawsuit, Ryan's Family Steak Houses, Inc. agreed to distribute its written anti-harassment/discrimination policies and to provide annual training regarding the rights of responsibilities of employees and managers under Title VII.
4. Federal law requires that employers not discriminate against any employee or applicant for employment because of the individual's race, color, religion, sex, national origin, age (40 or older) or disability. Federal law also prohibits retaliation against employees because they have opposed unlawful employment discrimination, or because they gave testimony or assistance in or participated in an employment discrimination investigation, proceeding, or hearing, or otherwise asserted their rights under the laws enforced by the EEOC.
5. Ryan's Family Steak Houses, Inc. will comply with such federal laws in all respects. Furthermore, Ryan's Family Steak Houses, Inc. will not take any actions against employees because they have exercised their rights, reported an alleged violation under the law or given testimony, assistance or participation in any investigation, proceeding or hearing conducted by the U.S. Equal Employment Opportunity Commission.

An employee has the right, and is encouraged to exercise that right, to report allegations of employment discrimination in the workplace. An employee may contact their local U. S. Equal Employment Opportunity Commission field office for the purpose of filing a charge of employment discrimination. To locate the nearest field office, contact:

Equal Employment Opportunity Commission  
1801 L Street, N.W.  
Washington, DC 20507  
TEL: 1-800-669-4000  
TTY: 1-800-669-6820

APPENDIX A



405 Lancaster Avenue Post Office Box 100 Great, South Carolina 29652 (864) 879-1000

January 5, 2005

To Whom It May Concern:

This is to verify that Ms. Michelle Ledford was employed by Ryan's Family Steak House in Shelby, N. C. from July of 1998 through October of 2000. She worked as a server and generally servers are responsible for the overall customer relationship in the restaurants. Servers also perform specific work duties that include serving beverages, cleaning customers' tables of used plateware and silverware, supplying table napkins, refilling or replacing condiments, and direct communications with customers.

If you have any questions, please contact me at (864) 989-2158.

Randy Hart  
Vice President  
Human Resources

A handwritten signature in black ink that reads "Randy Hart". The signature is fluid and cursive, with "Randy" on the top line and "Hart" on the bottom line.



405 Lancaster Avenue Post Office Box 100 Greer, South Carolina 29652 (864) 879-1000

January 5, 2005

To Whom It May Concern:

This is to verify that Ms. Christy Scruggs was employed by Ryan's Family Steak House in Shelby, N. C. from September or October of 1998 through June of 2000. She worked as a server and generally servers are responsible for the overall customer relationship in the restaurants. Servers also perform specific work duties that include serving beverages, cleaning customers' tables of used plates and silverware, supplying table napkins, refilling or replacing condiments, and direct communications with customers.

If you have any questions, please contact me at (864) 989-2158.

Randy Hart  
Vice President  
Human Resources

A handwritten signature in black ink that reads "Randy Hart". The signature is written in a cursive, flowing style.



405 Lancaster Avenue Post Office Box 100 Greer, South Carolina 29652 (864) 879-1000

January 5, 2005

To Whom It May Concern:

This is to verify that Ms. Odessa Gillespie Black was employed by Ryan's Family Steak House in Shelby, N. C. from October of 1998 through April of 2000. She worked as a server and generally servers are responsible for the overall customer relationship in the restaurants. Servers also perform specific work duties that include serving beverages, cleaning customers' tables of used plateware and silverware, supplying table napkins, refilling or replacing condiments, and direct communications with customers.

If you have any questions, please contact me at (864) 989-2158.

Randy Hart  
Vice President  
Human Resources

A handwritten signature in black ink that reads "Randy Hart". The signature is fluid and cursive, with "Randy" on the top line and "Hart" on the bottom line.

RANKED THE #1 FAMILY STEAKHOUSE IN AMERICA 2004 2005

United States District Court  
for the  
Western District of North Carolina  
January 26, 2005

\* \* MAILING CERTIFICATE OF CLERK \* \*

Re: 1:04-cv-00006

True and correct copies of the attached were mailed by the clerk to the following:

E. Grantland Burns, Esq.  
Nexsen, Pruet, Adams, & Kleemeier, LLC  
P. O. Drawer 10648  
Greenville, SC 29603

Michael S. Pitts, Esq.  
Nexsen, Pruet, Adams, & Kleemeier, LLC  
P. O. Drawer 10648  
Greenville, SC 29603

Gwendolyn Young Reams, Esq.  
Equal Employment Opportunity Commission  
1801 L Street, N.W.  
7th Floor  
Washington, DC 20507

James L. Deputy General Counsel, Esq.  
Equal Employment Opportunity Commission  
1801 L Street, N.W.  
7th Floor  
Washington, DC 20507

Lynette A. Barnes, Esq.  
Equal Employment Opportunity Commission  
Charlotte District Office  
129 West Trade Street  
Suite 400  
Charlotte, NC 28202

Kara L. Gibbon Haden, Esq.  
Equal Employment Opportunity Commission  
Charlotte District Office  
129 West Trade Street  
Suite 400  
Charlotte, NC 28202

W. Timothy Moreau, Esq.  
Moreau & Marks, PLLC  
419-C S. Sharon Amity Rd.  
Charlotte, NC 28211

cc:  
Judge (✓)  
Magistrate Judge ( )  
U.S. Marshal ( )  
Probation ( )  
U.S. Attorney ( )  
Atty. for Deft. ( )  
Defendant ( )  
Warden ( )  
Bureau of Prisons ( )  
Court Reporter ( )  
Courtroom Deputy ( )  
Orig-Security ( )  
Bankruptcy Clerk's Ofc. ( )  
Other \_\_\_\_\_ ( )

Date: 1/26/05

Frank G. Johns, Clerk  
By: E. Barton  
Deputy Clerk